

Data Digest

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Employment rises in 223 of metros over 12 months; ACEC survey finds optimism about outlook

Construction employment, not seasonally adjusted, rose from August 2022 in 223 (62%) of the 358 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 79 (22%), and was unchanged in 56, according to an [analysis](#) AGC released on Wednesday. (AGC treats as construction-only the totals for metros in which BLS reports only combined totals for mining, logging, and construction.) As in August, the metros adding the most jobs over 12 months were the Dallas-Plano-Irving division (15,100 combined jobs or 10%), New York City (11,000 combined jobs, 8%), and Portland-Vancouver-Hillsboro, Ore.-Wash. (9,200 construction jobs, 11%). Baton Rouge had the largest percentage gain (16%, 7,100 construction jobs), followed by 11% gains in the Wilmington, Del.-Md.-N.J. division (2,000 combined jobs); Middlesex-Monmouth-Ocean, N.J. (4,800 combined jobs); Cheyenne, Wyo. (400 combined jobs); and Portland-Vancouver-Hillsboro. The largest losses were in Houston-The Woodlands-Sugar Land (6,800 construction jobs); Nassau County-Suffolk County, N.Y. (-5,200 combined jobs, -6%); and Miami-Miami Beach-Kendall. (-4,400 construction jobs, -8%). Kankakee, Ill. again had the worst percentage job loss (-13%, -200 combined jobs), followed by Binghamton, N.Y. (-9%, -400 combined jobs) and Pittsfield, Mass. (-9%, -200 combined jobs).

A quarterly survey of 570 **engineering** and design services industry executives “‘shows executives have a more positive **economic outlook**, but workforce pressures are still impacting their businesses,’ said Joe Bates, the lead researcher with the ACEC Research Institute,” which [released](#) the results on August 28....Current sentiment remains very optimistic within all market sectors. Sentiment is strongest in Roads and Bridges...and Water/Wastewater....Supply chain issues also continue to ease as only 32% of respondents cite this as a concern compared to 56% in Q4 [the fourth quarter of] 2022. Workforce issues remain top of mind as respondents expect to both increase hiring and have a backlog of projects. Seventy percent of respondents predict there will be an increase in hiring over the next 12 months at their firms [, while 63%] indicate that open positions constitute at least 5% of all full-time employees. On average, one out of 10 positions are currently unfilled.” The results are consistent with the AGC/Autodesk 2023 Workforce Survey , [released](#) on September 6.

“According to the latest data from the National Association of State Budget Officers, **state rainy day funds** reached an all-time high of \$164 billion in fiscal year 2022,” the Tax Policy Center (TPC) reported in a commentary [posted](#) on September 6. “A healthy rainy day fund balance can help states avoid sharp cuts in spending or sharp tax increases when they are hurting economically...As a share of total general fund spending, total state rainy day fund balances have climbed steadily since the Great Recession, now totaling 15.4% of state spending in fiscal year 2022, the highest share ever recorded.... Fund balances are forecasted to decline slightly in the just-completed fiscal year 2023 for states. And, per TPC’s analysis, with half of all states forecasting slowdowns in state tax revenues in fiscal year 2024, more boosts in state saving accounts are unlikely. For now, though, states are in a far stronger fiscal position than they were after exiting the previous two economic downturns....So, while states may face significant uncertainty in the short term, this revenue cushion will leave them better able to respond to the next recession” and potentially avoid cutbacks in construction spending. **State and local construction spending** increased 12% in the first seven months of 2023 from January-July 2022, according to AGC’s analysis of Census Bureau data [posted](#) September 1.

“In the four quarters ending Q2 2023, state and local governments collected \$727 billion of **property tax revenue**—a 7.4% increase over Q2 2022,” the National Association of Home Builders (NAHB) [posted](#) today, based on its analysis of the Census Bureau’s quarterly state and local tax data [posted](#) on September 14. “Gains have been driven by rising home value assessments, which can lag market prices by one to two years.” Property taxes are a major funding source for **public school construction**.

In 2022, “approximately 2% of **multifamily buildings** (properties, not units) were built **using panelized methods**,” NAHB [posted](#) on September 22. “Similar to single-family construction, this market share was expected to grow, but the expected gains did not materialize due to various constraints in the industry. In the year 2000 and 2011, 5% of multifamily buildings were constructed with modular (1%) or panelized construction methods (4%).

Data Digest is a weekly summary of economic news. Sign up [here](#). Editor: Ken.Simonson@agc.org, Chief Economist, AGC. Go here for [Ken’s PPT](#) or more [construction data](#).

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